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### Abu Dhabi Closes Glitz Gap With Dubai



By [CRAIG KARMIN](#)

When it comes to entertainment, shopping and over-the-top diversions, Abu Dhabi has lagged behind fellow emirate Dubai.

But a New York property developer and an Abu Dhabi government fund aim to narrow the glitz gap with a new shopping complex, five-star hotels and fine dining on Abu Dhabi's Al Maryah Island.

Gulf Related, a partnership between Related Cos. and a U.A.E. private-equity firm, is teaming up with Mubadala Real Estate & Hospitality to develop the Galleria, a shopping complex of luxury brands.

The development is going up in a newly constructed business district known as Sowwah Square, which is expected to be home to the Abu Dhabi Securities Exchange later this year.

The Sowwah development is part of Abu Dhabi's drive to diversify its oil-rich economy through financial services and tourism. Costing more than \$200 million, it comes as other developers are joining the race to make Abu Dhabi less of a retail desert.

The next few years will see construction of competing mega malls and entertainment complexes. Paragon Bay Mall features a 500-room hotel, 120 shops, and a beachfront promenade. Yas Mall will connect to a Ferrari theme park and be the emirate's largest shopping complex. The existing Al Wahda mall also is doubling its size.

Kenneth Himmel, a Related executive and co-managing partner for Gulf Related, says his project's scale and smorgasbord of luxury tenants will distinguish the Galleria. Several designers, including Marc Jacobs, Paul Smith and Tory Burch, will have their first Abu Dhabi retail locations there.

"This is going to be a gem of a destination for people who live and work in Abu Dhabi, and it will also attract visitors," he says. He added that the venture already is exploring expansion plans for the retail area.

The Sowwah project also is the first overseas development for Related, representing a big bet by Stephen Ross's real-estate company. While Abu Dhabi has a population of 900,000 and controls much of the U.A.E.'s wealth, it is a largely untested high-end consumer market, where residents often drive the 75 miles or so to Dubai for shopping sprees.

Related developed Manhattan's Time Warner Center and is behind Hudson Yards, a \$15 billion development on Manhattan's West Side that isn't scheduled to be completed until 2025.

The Abu Dhabi site will feature more than 350,000 square feet of retail, food and beverage, which is expected to open in August 2013.

The mall is about 95% leased, with prestige brands like Louis Vuitton, Cartier, and Dolce & Gabbana taking space. Related says there are 100 other retailers queuing to get a spot in the mall.

Sowwah also will include four office towers that Related says are about two-thirds leased. The shopping complex will include a dozen restaurants and two hotels—the Four Seasons and Rosewood—that also will offer luxury residences and are expected to open by 2015.

The hotels are critical to the project for another reason: In Abu Dhabi, liquor licenses must be connected to hotels. By placing most of the restaurants within reach of the two hotel podiums, 10 of those establishments can serve alcohol.

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